Company Number: 06223892

ACE LIBERTY & STONE PLC

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2021

ACE LIBERTY & STONE PLC

ANNUAL REPORT 2021

Contents

ACE LIBERTY & STONE PLC

ANNUAL REPORT 2021

Company Information, Directors and Advisors

Directors:	Dr Tony Ghorayeb	Non-Executive Chairman
	Ismail Ghandour MBA	Chief Executive
	Mark Thomas MRICS, IRRV	Commercial Director
	Ivan Minter FCA	Finance Director
	Keith Pankhurst	Senior Independent Director
	Kayssar Ghorayeb	Non-Executive Director
	Hikmat El-Rousstom	Non-Executive Director

Company Secretary: International Registrars Limited

Registered Number: 06223892 (England and Wales)

Registered Office:
Finsgate
5-7 Cranwood Street
London
EC1V 9EE

Bankers:
Lloyds Bank Plc
10 Gresham Street
London
EC2V 7AE

Coutts & Co
440 Strand
London
WC2R 0QS

Auditors:
Jeffreys Henry LLP
Finsgate
5-7 Cranwood Street
London
EC1V 9EE

Registrars:
Share Registrars Limited
The Courtyard
17 West Street
Farnham
Surrey
GU9 7DR

Solicitors:
Bracher Rawlins LLP
77 Kingsway
London
WC2B 6SR

Spector Constant & Williams
10 - 12 Ely Place
Holborn
London
EC1N 6RY

Brokers
SP Angel
35 Maddox Street
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W15 2PP

ACE LIBERTY & STONE PLC

ANNUAL REPORT 2021

Chairman's Statement

I have great pleasure in presenting the results for the year ended 30 April 2021. Group revenue is down slightly from £6,391,897 to £6,227,124 because of the impact of the COVID-19 pandemic as detailed in the Strategic Report. It is significant that, out of a total passing rent of £6,926,440, only £85,086 had to be written off through tenant defaults. This represents a very good outcome for the year by comparison with the sector generally given the widespread economic downturn experienced globally. Total comprehensive income for the period is £1,218,931 compared to a profit of £461,969 as originally stated in last year's accounts and a loss of £288,969 as now re-stated in order to rectify the omission of the fair value of interest rate swaps and cap. Shareholders' funds have increased from £30,986,132 to £32,196,180. These numbers confirm a strong performance by the Company.

Expenditure during the year has been reduced. In 2020, overheads included a one-off charge for employees' national insurance in respect of the share options exercised by the directors in that year, which benefits the current year by comparison. There is also a welcome reduction in the amortisation of loan arrangement costs due to the passage of time and the repayment of loans in the year ended April 2020.

Opportunities for acquisitions have been rare during the year but the Group has continued its expansion at a modest level by completing the purchases of 16-17 Westborough, Scarborough, North Yorkshire for £1,430,000 and 78/82 English Street and 49/53 Blackfriars Street, Carlisle for £1,710,000. Both have secure long-term tenants, Skipton Building Society in the first instance and Clydesdale Bank in the second. The passing rents are £131,000 and £120,000 respectively. Contracts have been exchanged for the purchase of Unit M, 9 Hunters Row, Stafford for £1,260,000 with completion to take place after the year end. The tenant is Iceland Foods Limited with a passing rent of £95,000. These properties are featured on the inside front cover of this document.

Ace has continued to seek to sell the assets classified as held for sale in the balance sheet. The sale of the Leeds and Dudley properties is due to complete on 30 September 2021 and there is strong interest from a buyer for the Oscar Court property.

I reported last year that Ace took the opportunity to raise additional equity finance by means of the exercise by the directors of their options and subsequent sale of the shares to investors in Lebanon. This resulted in cash balances at 30 April 2020 of some £7 million. Subsequent events in Lebanon have prevented remittance of these funds to the UK for property investment as intended due to the imposition of exchange controls by the Banque du Liban. To protect the Company's asset, it has been designated a cash contribution to capital under Lebanese banking regulations and shown as an investment in the Company's balance sheet. It remains the Company's intention to remit the funds to the UK for investment in the portfolio when circumstances permit.

The Company's loan facility with Lloyds Bank Group, which stood at £25,462,800 at the balance sheet date, is due to mature in November 2021. Accordingly, the balance is shown as a current rather than a non-current liability. Negotiations are well advanced to renew or replace this loan.

It is worth noting that several of the Group's properties lie within the development areas designated by the government to achieve its levelling up agenda as illustrated by the outline map on page 9 of the annual report. Having survived the pandemic in good shape, the Group's portfolio is set to perform well as the country returns to normal levels of activity. Given continued profitability and a strong cash flow, the Board intends to reinstate dividend payments as soon as possible whilst continuing to expand the portfolio as opportunities arise.

Dr Tony Ghorayeb
Chairman
Date: 27 September 2021

ACE LIBERTY & STONE PLC

ANNUAL REPORT 2021

Corporate Governance Statement

The Board has put in place a framework for corporate governance which it believes is appropriate to the Company. The Company's ordinary shares are quoted on the Aquis Stock Exchange (AQSE) Apex Market and, as such, Ace Liberty & Stone plc is not required to comply with all aspects of the UK Corporate Governance Code. However, the Board is committed to maintaining the highest standards appropriate to a Company of this size and nature. As a response to the social distancing requirements in place to combat the spread of COVID-19, the Company now holds the majority of meetings via the internet.

The Board

The Board comprises the Non-Executive Chairman, the Chief Executive, the Senior Independent Director, two non-executive and two executive directors. The directors' biographical details are shown on the Company's website. One third of the directors are subject to re-election by rotation at the Annual General Meeting each year. All newly appointed directors stand for election at the Annual General Meeting following their appointment.
The Board meets at least four times each year. The Board's responsibilities include approving the Company's strategy and annual budget, authorising major investments, acquisitions and capital expenditure, and monitoring the performance of the business.
The non-executive directors are all considered to be independent and have a voting majority on the Board and each committee.

Board Committees

Each committee has defined terms of reference and meets at least twice each year.

Nominations

The Nominations Committee comprises Keith Pankhurst (chairman), Kayssar Ghorayeb and Ismail Ghandour. The committee is responsible for identifying and proposing prospective candidates for directors for consideration and appointment by the Board as a whole.

Audit

The Audit Committee comprises Kayssar Ghorayeb (chairman), Keith Pankhurst and Ivan Minter. The Chief Executive and external auditor attend its meetings by invitation. The Committee reviews the audit appointment periodically, discusses the audit plan with the auditor and recommends approval of the financial statements to the Board. The committee meets with the auditor twice-yearly. Internal controls are the direct responsibility of the directors.

Remuneration

The Remuneration Committee comprises Dr Tony Ghorayeb (chairman), Kayssar Ghorayeb, and Hikmat El-Rousstom. It determines on behalf of the Board the remuneration package of the executive directors. The Remuneration Committee is also responsible for approving the bonus targets and payments for the Company's executive directors. In coming to these decisions, the Remuneration Committee considers the overall performance of the Company and of the individual directors. Share options, which are approved at the Company's AGM, have historically been granted to compensate for the low level of salaries. These options have all now been exercised.

Attendance at meetings

The following is the record of directors' attendance at Full and Committee Meetings of the Board:

	Attended		Entitled to attend	
	Full Board	*Board Committees*	*Full Board*	*Board Committees*
Dr Tony Ghorayeb	6	2	6	2
Ismail Ghandour	6	2	6	2
Mark Thomas	6	-	6	-
Kayssar Ghorayeb	6	6	6	6
Ivan Minter	6	2	6	2
Keith Pankhurst	6	4	6	4
Hikmat El-Rousstom	6	2	6	2

Shareholders

At 15 September 2021, the following shareholders held more than 3% of the company's issued share capital:

	Shares of 25p	%
Securities Services Nominees Limited	25,613,450	43.59
HSBC Global Custody Nominee (UK) Limited	5,614,078	9.55
Dinama Holdings Limited	3,751,378	6.38
Daniel Waylett	2,779,000	4.73
Euroclear Nominees Limited	2,210,548	3.76
Dr Abdel-Karim El-Rousstom	1,970,000	3.35

Securities Services Nominees Limited held 1,122,749 shares on behalf of Mr. H El-Rousstom and 252,919 shares on behalf of Mr. K. Ghorayeb who are both non-executive Directors of the Company.

HSBC Global Custody Nominee (UK) Limited held 3,248,606 shares on behalf of Mr. I Ghandour and 42,850 shares on behalf of Mr. M Thomas who are both Directors of the Company.

The Company's website is **http://acelibertyandstone.com/**

ACE LIBERTY & STONE PLC

ANNUAL REPORT 2021

Strategic Report

Principal activity
The principal activity of the Group continues to be that of property investment. The Board locates properties with good covenants which offer a high yield and the opportunity to add capital value to the initial investment. In addition to properties which have the opportunity of early development, the Group holds a proportion of its portfolio in properties with longer-term tenancies in order to achieve a balanced portfolio and to protect future cash flow.
The success of this strategy rests on the executive directors' ability to select suitable properties and manage the project plans for enhancement. The Chief Executive and the Commercial Director have a wide range of contacts and the experience to judge market trends. The result so far has been that each commercial property sold has realised a sizeable profit.

Long term objective
The Group's long-term objective is to create a portfolio of commercial properties with a good flow of annual rental income from creditworthy tenants. Properties selected will also have realistic prospects of conversion to alternative uses beyond the current tenancy agreement. The definition of these objectives is further explained in the key performance indicators which also disclose performance against these objectives.

Review of business
Opportunities for acquisitions have been rare during the year, but the Group has continued its expansion at a modest level by completing the purchases of 16-17 Westborough, Scarborough, North Yorkshire for £1,430,000 and 78/82 English Street and 49/53 Blackfriars Street, Carlisle for £1,710,000. Both have secure long-term tenants; Skipton Building Society in the first instance and Clydesdale Bank in the second. The passing rents are £131,000 and £120,000 respectively. Contracts have been exchanged for the purchase of Unit M, 9 Hunters Row, Stafford for £1,260,000 with completion to take place after the year end. The tenant is Iceland Foods Limited with a passing rent of £95,000.
An overall review of business is given in the Chairman's Statement on page 3.
The Board monitors key financial performance indicators. The indicators are appropriate to the circumstances of the business. For the year ended 30 April 2021 they are summarised on the following pages headed Key Performance Indicators.

Principal risks and uncertainties
The Group's portfolio is exclusively invested in the UK and therefore is exposed to the risks and uncertainties of the UK economy.
The directors consider that the principal risk for the Group is in respect of the valuation of the Group's investment properties. The properties are subject to fluctuating market conditions, affected by consumer confidence, the performance of the UK economy, and the liquidity in the market as well as fluctuating interest rates. These risks will also affect the Group's ability to acquire properties in the future. The directors mitigate these risks by investing only in properties with good covenants and good prospects for alternative use at the end of the current lease.
The Group is exposed to interest rate risk. The Company has benefitted from the current exceptionally low interest rates, but does not expect this to continue. The directors mitigate this risk by hedging at least 75% of the group-wide facility for protection against future interest rate rises. Future returns on acquisitions are evaluated projecting higher than current rates.
There is a risk that the Group will be unable to finance future acquisitions which would inhibit growth. This is mitigated by establishing facilities with preferred lenders which are familiar with and supportive of the Group's strategy and achievements. All borrowing is undertaken at cautious assessments of, for example, loan-to-value and interest cover. During the year, one of the lenders undertook a bank valuation which resulted in an LTV covenant breach. After discussions with the lender the Company successfully secured a waiver of the LTV breach.
The Group plans to continue to expand the portfolio and to continue to develop its existing holdings. However, the future stability of the Group is not dependent on growth and it can continue profitably at its present size.
The investment In LiBank is classed as Tier 1 Capital and therefore there is a risk that part, or all, of this investment is used to absorb LiBank operational losses. The investment is perpetual therefore the repayment of the principal is uncertain.

Brexit
The Group has invested solely in England. It has no currency exposure and its business has been unaffected by the United Kingdom leaving the European Union. The Group considered in advance the effect of Brexit on its tenants and could see no reason why their businesses should be adversely affected. This expectation has been entirely fulfilled following the exit of the UK from the EU. In note 4 of the Financial Statements, the Group discloses information on its revenue, of which 53% is derived from UK national and local government entities. The Group's industrial and commercial tenants consist almost entirely of banks, building societies and retailers of essential domestic supplies.

In the event that Brexit lead to the breakup of the United Kingdom, the Company is also free from risk as it has no Irish, Scottish or Welsh properties or tenants.
Should Brexit have a widespread adverse (or beneficial) long term effect on the UK economy, that will inevitably affect all trading companies and Ace will be no exception.

COVID-19
This affects the Group in a number of ways.
Effect on tenants
It is reported elsewhere that some tenants' businesses have been adversely affected prejudicing their ability to comply with their lease obligations. Negotiations have been undertaken with all the tenants concerned with a view to helping them survive but without long term detriment to the Group's business. Arrears will, in general, be collected by 31 December 2021 and no tenant's business appears to be in danger of failure. One tenant has restructured under the terms of a CVA and this, together with a concession to another tenant experiencing trading difficulty, has cost the Group some £85,000 in the reporting period. Some small losses may also be sustained from family business tenants which do not have the depth of resources to survive a prolonged period of poor trading. Although unwelcome, this is not fundamental

Strategic Report (continued)

to Ace's survival. All arrears of rent outstanding at 30 April are expected to be collected in full. Where appropriate, revised terms have been negotiated to offset concessions to tenants with benefits to Ace, such as extending lease periods and cancelling break clauses.

Ownership of properties
Compliance with social distancing provisions imposes a burden on property owners and occupiers. All the Group's leases are on a full repairing and insuring basis placing the full cost of compliance on the tenant. The majority of properties are let wholly to one tenant, who is then responsible for the full property operating cost. Where there are multiple tenants in occupation, service charge arrangements are in place, under the control of a local agent, to carry out necessary works. In none of these instances are there any common areas where the freeholder bears the cost.

Employer of staff
In addition to its directors the Group has two employees, both of whom work in a financial capacity. The office was closed during lockdown and employees put on furlough where appropriate. Staff and directors alike have worked predominantly from home with visits to the office only where it is essential and government guidelines can be observed. Meetings have been held via the internet.

As government guidelines continue to relax, the Company's activities will be increasingly carried out in the office. It is anticipated that employees and directors will alternate working from home with working in the office.

Future developments

The Company's management constantly monitors opportunities to sell properties where this offers a profit to the Group and is in line with strategic objectives. Some properties fall within the IFRS definition of assets held for sale and are designated accordingly in the balance sheet. Regardless of category, sale opportunities are assessed on merit; a number of transactions are currently being considered and will be announced at the appropriate time.
The directors are of the view that economic consequences of the COVID-19 pandemic will create opportunities which the Group will be well placed to take advantage of.
The directors will continue the same investment policies which have been successful since its listing with the intention of continuing to increase the Group's assets in the future.

Companies Act S.172
The Directors acknowledge their duty under s.172 of the Companies Act 2006 and consider that they have, both individually and together, acted in the way that, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, they have had regard (amongst other matters) to:

- the likely consequences of any decision in the long term. The Group's long-term strategic objectives, including progress made during the year and principal risks to these objectives, are shown in the strategic report and the key performance indicators.
- the interests of the Company's employees. Our employees are fundamental to us achieving our long-term strategic objectives. We aim to be a responsible employer in our approach to the pay and benefits our employees receive. Further details can be found under Remuneration in the Corporate Governance Report.
- the impact of the Company's operations on the community and the environment. The Group operates honestly and transparently. We consider the impact on the environment on our day-to-day operations and how we can minimise this. We believe our purpose not only relates to our buildings, but also to the people who live and work in them and their vicinity and how we can contribute to the wider community through employment opportunities and enhancing the built environment.
- the desirability of the Company maintaining a reputation for high standards of business conduct. Our intention is to behave in a responsible manner, operating within the high standard of business conduct and good corporate governance. Not only is this covered in our Corporate Governance Statement on page 4, but is also epitomised in our risk management objectives and policies in note 24.2.
- the need to act fairly as between members of the Company. Our intention is to behave responsibly towards our shareholders and treat them fairly and equally so that they may benefit from the successful delivery of our strategic objectives. Our investors rely on us to allocate their capital wisely, deliver robust financial performance that generates a return on their investment incorporating both income and capital growth within an environment that mitigates risk and ensures sound governance.

The Strategic Report was approved by the Board on 27 September 2021 and signed on its behalf by:

Ivan Minter
Director

ACE LIBERTY & STONE PLC

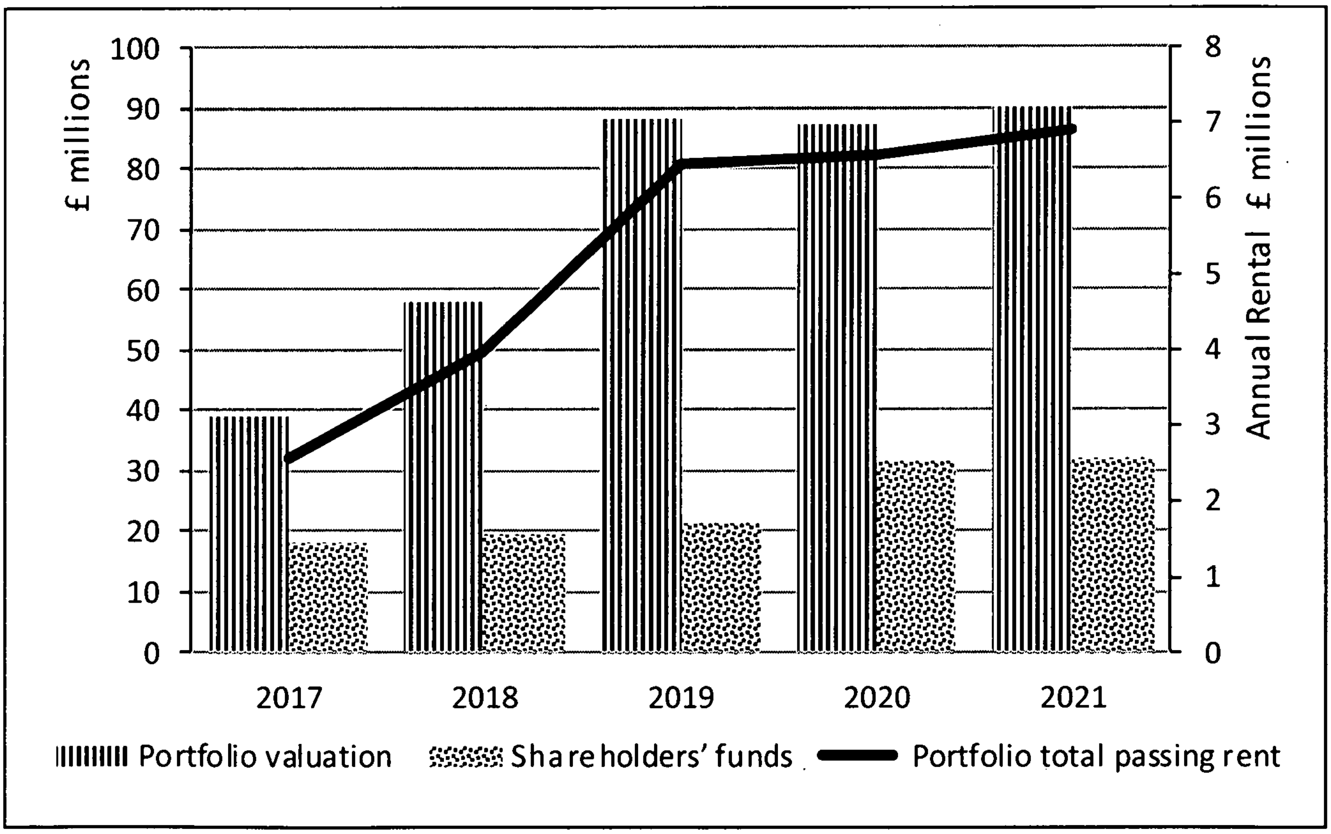
ANNUAL REPORT 2021

Key Performance Indicators

The board monitors the following data which it considers appropriate to share with shareholders to generate a better understanding of the business.

			At 30 April		
	2017	2018	2019	2020	2021
			Restated	Restated	
	£	£	£	£	£
Property portfolio	38,979,308	58,221,866	88,323,017	87,318,017	89,936,560
Shareholders' funds	18,132,735	19,439,335	21,259,843	30,986,132	32,196,180
Rental income for year	2,632,219	3,515,088	5,072,435	6,391,897	6,227,124
Profit/ (Loss) after tax	962,676	361,295	855,530	(630,573)	1,210,048
Portfolio total passing rent	2,563,565	3,960,279	6,477,438	6,566,740	6,926,440
	%	%	%	%	%
Loan to value	50.61	49.21	52.02	53.35	52.99
	years	years	years	years	years
Weighted average unexpired lease to break (WAULB)	9.5 0	9.60	8.72	8.00	7.50

The values shown for Property portfolio, Shareholders' funds, Rental income for year and Profit/ (Loss) after tax are taken from the audited accounts. Interim values are calculated on a consistent basis.
Portfolio total passing rent is the annual rental income of the aggregate of the leases in force at the appropriate point in time. It differs from Rental income for year in that the latter is the recorded income for a specific period and is a lower value because, for example, some properties are only owned for a part of the period
Weighted unexpired average lease to break is a good indicator of the resilience of the portfolio. The Group has highly creditworthy tenants (see note 4) who are extremely unlikely to default on their lease obligations. The high WAULB value indicates the portfolio could easily withstand a short period of non-occupation at the end of a lease in the unlikely event that eventuality should occur while a sale is being arranged.

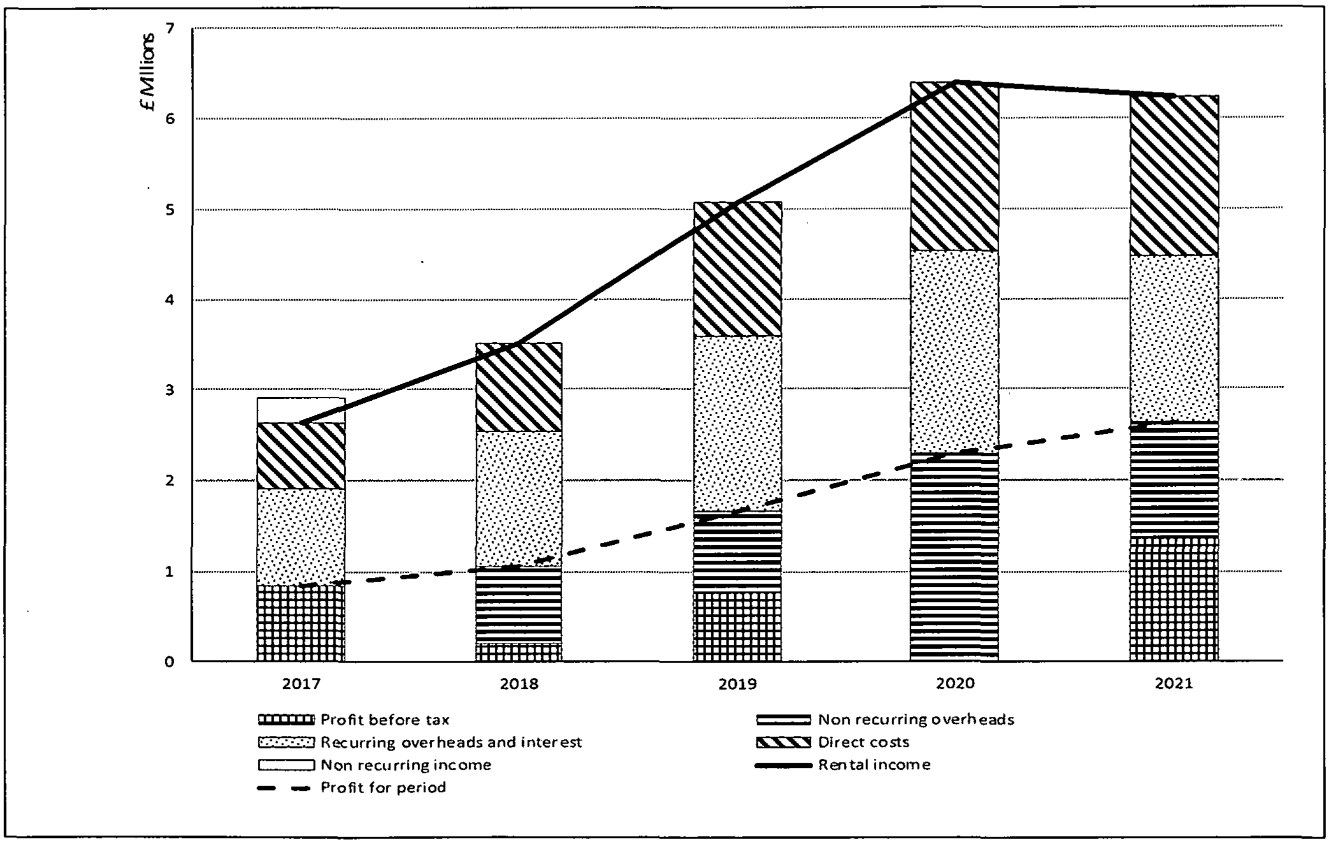


Key Performance Indicators (continued)

The Board monitors the financial performance of the Group in the following format and this is also reproduced for the benefit of shareholders.

	2017	2018	2019	2020	2021
			Year ended 30 April		
			Restated	Restated	
	£	£	£	£	£
Rental income	2,632,219	3,515,088	5,072,435	6,391,897	6,227,124
Interest on secured property loans	(523,240)	(829,351)	(1,445,218)	(1,794,056)	(1,673,177)
Property management	(204,125)	(140,065)	(39,687)	(56,376)	(85,155)
Gross contribution	1,904,854	2,545,672	3,587,530	4,541,465	4,468,792
Recurring overheads	(1,018,745)	(782,411)	(872,735)	(856,173)	(915,609)
Net interest	(46,911)	(708,751)	(1,046,926)	(1,397,715)	(926,384)
Profit for period	839,198	1,054,510	1,667,869	2,287,577	2,626,799
Non recurring income and overheads	283,119	(840,369)	(819,093)	(3,029,263)	(1,240,727)
Profit/ (Loss) before tax	1,122,317	214,141	848,776	(741,686)	1,386,072

This table is a re-analysis of the statutory Income and Expenditure Account and contains the same information – as can be seen from the identical values for Rental income and Profit before tax.
This layout embodies the information used by management to monitor the portfolio's performance and evaluate new acquisitions. Key decisions revolve around the contribution of a property after paying interest on the secured loan required to finance its purchase.
Property management costs largely relate to the residential properties which have largely been disposed of. Hence the declining trend over the five-year period.
The split of overheads is self-explanatory. Recurring overheads relate mainly to directors' salaries and fees, legal and professional fees, and costs of compliance and regulation. Non-recurring overheads relate to costs of arranging finance, professional fees for property development and the costs of selling properties. In the current year the property impairment charge of £200,000 is the largest individual item.
Net interest is the cost of general finance facilities (not specifically secured on properties) for the company.
The profits from property sales are included with the non-recurring costs.
This format enables the ongoing performance of the portfolio to be separated from non-recurring events and provides a reliable guide to future performance. This is valuable because of the group's rapid expansion over the past five years.



ACE LIBERTY & STONE PLC

ANNUAL REPORT 2021

Directors' Report

The directors present their report with the audited consolidated financial statements for the year ended 30 April 2021.

Dividends

The directors declared nil interim dividends for the year ended 30 April 2021.
The comparable information for the year ended 30 April 2020 was as follows:
On 25 October 2019, an interim dividend of 0.83p per ordinary share of 25p. This was paid on 22 November 2019.

Directors

The following directors have held office since 1 May 2020:

Keith Pankhurst	Ismail Ghandour
Mark Thomas	Ivan Minter
Dr Tony Ghorayeb	Kayssar Ghorayeb
Hikmat El-Rousstom	

Going concern

The directors can report that, based on the Group's budgets and financial projections, they have satisfied themselves that the business is a going concern. The board has a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future and therefore the accounts are prepared on a going concern basis.
Although events in Lebanon have prevented remittance of £5m to the UK for investment in UK property as intended due to the imposition of exchange controls by the Banque du Liban, this does not negatively affect the Company's cashflow or its ability as a going concern. It remains the Company's intention to remit the funds to the UK for investment in the portfolio when circumstances permit.
The facility totalling £25,462,800 at the balance sheet date is due to be repaid in November 2021. The Company is in discussions with the lender, along with other interested parties in renewing terms for the loan.

Auditors

Jeffreys Henry LLP has expressed its willingness to continue in office and a resolution to re-appoint it will be proposed at the forthcoming Annual General Meeting.

Post balance sheet events

The 10,000,000 6% unsecured convertible loan notes were due to be repaid on 23 May 2021. As the Loan Note was not settled in full by the Company, the final repayment date was extended to 23 May 2023 as stipulated by the deed of variation.
On 1 June 2021, 250,000 shares were issued in settlement of the 5% convertible loan note at a conversion rate of £0.80 per share.

Future developments

This information has not been included in the Directors' Report because it is shown in the Strategic Report as permitted by section 414C (11) of the Companies Act.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and Company financial statements for each financial year. The directors have elected under company law and the rules of AQUIS to prepare Group financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS101 'Reduced Disclosure Framework'.

The Group financial statements are required by law and IFRS adopted by the EU to present fairly the financial position and performance of the Group; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.
Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

In preparing the group and company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK adopted IFRSs and for the Company financial statements state whether applicable UK accounting standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the company financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Ace Liberty & Stone plc website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' Report (continued)

Statement of disclosure to auditor

The directors who were in office at the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Directors' Report was approved by the Board on 27 September 2021 and signed on its behalf by:

Ivan Minter
Director

Independent Auditors' Report to the Members of Ace Liberty & Stone Plc

Opinion

We have audited the financial statements of Ace Liberty & Stone Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2021 which comprise the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated statement of cash flows, the consolidated and company statements of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).
In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 April 2021 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to SME listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included reviews of the group business plan and cashflow forecasts.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgments, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.
The Group financial statements are a consolidation of nineteen reporting units, comprising the Group's operating businesses and holding companies.

We performed audits of the complete financial information of Ace Liberty & Stone Plc, Ace (Manchester) Limited, Ace (Leeds) Limited, Ace (Hulme) Limited, Ace (Sunderland) Limited, Ace (Dudley) Limited, Ace (Barnsley) Limited, Ace (Gateshead) Limited, Ace (Chelsea) Limited, Ace (Plymouth) Limited, Ace (Hanley) Limited, Ace (Management) Limited, Ace (Luton) Limited, Ace (Keighley) Limited, Ace (North) Limited and Ace (EBT) Limited reporting units, which were individually financially significant and accounted for 100% of the Group's revenue and 84% of the Group's absolute profit before tax (i.e. the sum of the numerical values without regard to whether they were profits or losses for the relevant reporting units). We also performed specified audit procedures over certain account balances and transaction classes that we regarded to be material to the Group at three further reporting units, two based in The British Virgin Islands and another in British Anguilla.
The Group engagement team performed all audit procedures.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Independent Auditors' Report to the Members of Ace Liberty & Stone Plc (continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of investment property The value of investment properties is key to the Group as they impact upon the Group's compliance with loan covenants. Investment properties are held at fair value which represents a significant area of management judgement.	We reviewed the recognition, capitalisation and fair valuation of investment properties in conjunction with IAS 40 Investment Property and IFRS 13 Fair Value Measurement. We assessed the competence, capabilities, qualifications and objectivity of the external independent valuers employed by the Group. We have critically evaluated management's methodologies in reviewing valuations and their adjustments of the fair values of investment properties. We consider the value of investment properties used in the accounts to be reasonable.
Convertible loan notes During the period, the Company had convertible loan notes in issue. We have identified the valuation and accounting treatment of convertible loans as a key audit matter because both are complex areas and require the use of estimates. The separation of the debt element from the equity element of a convertible loan involves a significant degree of judgement and is therefore subject to an inherent risk of error.	We inspected board minutes and other appropriate documentation to confirm that the transactions were appropriately authorised. We verified amounts, interest rates and maturities to the supporting documentation and examined the terms and conditions of the loan notes. We reviewed the reasonableness of the market rate of interest used in calculating the effective interest charge. We tested and reperformed the calculations carried out to split the convertible loans into equity and debt elements. We consider the accounting for this and the final balance of the convertible loan notes to be reasonable.
Valuation of investments The company has multiple investments both subsidiary and non-subsidiary. Management are required to assess the investment in subsidiaries at the end of each reporting period for impairment. This assessment is considered highly judgemental. Investment in non-subsidiaries are held at fair value which represents a significant area of management judgement.	We reviewed the investments for any sign of impairment and separately tested for impairments based on a comparison of net assets of companies to the value of the investments. We consider the value of investment used in the accounts to be reasonable.

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Overall materiality	£997,000 *(2020: £250,000).*	£175,000 *(2020: £172,000).*
How we determined it	Overall: 1% of net assets Specific:5% of net profits	Overall: 1% of net assets limited by Group materiality Specific: 5% of net profit/loss before intercompany charges, limited by company materiality
Rationale for benchmark applied	We believe that net assets are the primary measures used by shareholders in assessing the Group's performance. This materiality was used for all accounts balances not related to investment properties or loans and borrowings. A lower materiality threshold was used for other balances as we consider there to be a lower threshold where misstatement could influence the users of the financial statements.	We believe that net assets are the primary measures used by shareholders in assessing the Company's performance. This materiality was used for all accounts balances not related to loans and borrowings. A lower materiality threshold was used for other balances as we consider there to be a lower threshold where misstatement could influence the users of the financial statements.

Independent Auditors' Report to the Members of Ace Liberty & Stone Plc (continued)

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £1,000 and £359,000.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £10,750 for the Group *(2020: £12,500)* and £8,600 *(2020: £8,600)* for the Company, as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

Independent Auditors' Report to the Members of Ace Liberty & Stone Plc (continued)

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2.6 were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- Obtaining confirmation of compliance from the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.
Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sanjay Parmar
Senior Statutory Auditor

For and on behalf of
Jeffreys Henry LLP (Statutory Auditors)
Finsgate 5-7 Cranwood Street
London EC1V 9EE

Date 27 September 2021

ACE LIBERTY & STONE PLC

ANNUAL REPORT 2021

Consolidated Statement of Comprehensive Income for the year ended 30 April 2021

	Notes	2021 £	2020 Restated £
Revenue	4	6,227,124	*6,391,897*
Loss on disposal of investment property		-	*(13,026)*
Administrative expenses	5	(1,406,526)	*(1,805,592)*
Fair value loss on investment property	13	(500,000)	*(500,000)*
Fair value loss on assets held for sale	15	(200,000)	*(300,000)*
Lease breakage fee	4	-	*173,375*
Finance cost	6	(3,021,065)	*(4,723,182)*
Finance income	7	286,539	*34,842*
Profit / (Loss) before taxation	8	**1,386,072**	***(741,686)***
Taxation	11	(176,024)	*111,113*
Profit / (Loss) after taxation		**1,210,048**	***(630,573)***
Other comprehensive income – release of equity proportion of CLNs	20	8,883	*341,604*
Total comprehensive income / (deficit) for the period		**1,218,931**	***(288,969)***
Attributable to:			
Owners of the parent		**1,218,931**	***(288,969)***
Earnings per share on continuing activities		**Pence**	**Pence**
Basic earnings per share attributable to equity owners of the parent	12	2.08	*(0.61)*
Diluted earnings per share attributable to equity owners of the parent	12	1.64	*(0.47)*

ACE LIBERTY & STONE PLC

ANNUAL REPORT 2021

Consolidated and Company Statement of Financial Position at 30 April 2021

		Group		Company	
		2021	2020 Restated	2021	2020 Restated
ASSETS	*Notes*	£	£	£	£
Non-current assets					
Investment property	13	79,706,639	*76,888,096*	-	-
Investments	14	5,000,680	-	6,459.395	*1,793,965*
Other receivables	16	-	-	-	*52,100,000*
Deferred tax	11	223,541	*128,541*	-	-
		84,930,860	*77,016,637*	6,459,395	*53,893,965*
Current assets					
Assets held for sale	15	10,229,921	*10,429,921*	-	-
Trade and other receivables	16	1,347,471	*789,256*	62,637,115	*12,423,089*
Cash and cash equivalents		2,913,363	*7,432,958*	2,834,610	*7,338,851*
		14,490,755	*18,652,135*	65,471,725	*19,761,940*
TOTAL ASSETS		**99,421,615**	***95,668,772***	**71,931,120**	***73,655,905***
EQUITY AND LIABILITIES					
Current liabilities					
Liabilities relating to assets held for sale	17	1,272,313	*1,350,625*	-	-
Trade and other payables	18	7,311,567	*5,536,009*	2,958,761	*4,013,403*
Taxation		458,542	*100,121*	134,010	*8,652*
Borrowings	19	37,716,654	*2,668,972*	36,948,704	*2,318,722*
Derivative financial instrument	19	77,601	-	77,601	-
Deferred tax	11	83,487	*121,487*	-	-
		46,920,164	*9,777,214*	40,119,076	*6,340,777*
Non-current liabilities					
Borrowings	19	19,958,927	*54,244,301*	-	*35,412,138*
Derivative financial instrument	19	346,344	*661,125*	-	*159,458*
		20,305,271	*54,905,426*	-	*35,571,596*
Share capital	21	14,626,463	*14,626,463*	14,626,463	*14,626,463*
Share premium		16,773,712	*16,773,712*	16,773,712	*16,773,712*
Other reserve		202,302	*211,185*	202,302	*211,185*
Treasury shares	22	(480,620)	*(480,620)*	-	-
Retained earnings/ (Accumulated losses)		1,074,323	*(144,608)*	209,567	*132,172*
Total equity		32,196,180	*30,986,132*	31,812,044	*31,743,532*
TOTAL EQUITY AND LIABILITIES		**99,421,615**	***95,668,772***	**71,931,120**	***73,655,905***

The Directors have taken advantage of the exemption available under Section 408 of the Companies Act 2006 and have not produced the Company's individual profit and loss account. Company profit after taxation is £77,395 *(2020 Restated: £583,481).*

The financial statements were approved and authorised for issue by the Board on 27 September 2021 and signed on its behalf by:

Ivan Minter
Director
Company Registration number: 06223892

Consolidated Statement of Changes in Equity

	Share capital £	Share premium £	Share option reserve £	Other reserve £	Treasury shares £	Retained earnings £	Total equity £
Balance at 30 April 2019 (restated)	*10,608,342*	*9,099,025*	*826,906*	*341,603*	*(480,620)*	*864,587*	*21,259,843*
Total comprehensive deficit for the year							
Loss for the year (Restated)	-	-	-	-	-	*(630,573)*	*(630,573)*
Other comprehensive income (note 20)	-	-	-	-	-	*341,604*	*341,604*
	-	-	-	-	-	*(288,969)*	*(288,969)*
Transactions with owners							
Shares issued during the year	*4,018,121*	*6,847,781*	-	-	-	-	*10,865,902*
Value of conversion rights on convertible notes	-	-	-	*(130,418)*	-	-	*(130,418)*
Exercise of options	-	*826,906*	*(826,906)*	-	-	-	-
Dividend on ordinary shares	-	-	-	-	-	*(720,226)*	*(720,226)*
	4,018,121	*7,674,687*	*(826,906)*	*(130,418)*	-	*(720,226)*	*10,015,258*
Balance at 30 April 2020	*14,626,463*	*16,773,712*	-	*211,185*	*(480,620)*	*(144,608)*	*30,986,132*
Total comprehensive income *for the year*							
Profit for the year	-	-	-	-	-	1,210,048	1,210,048
Other comprehensive income (note20)	-	-	-	-	-	8,883	8,883
	-	-	-	-	-	1,218,931	1,218,931
Transactions with owners							
Value of conversion rights on convertible notes	-	-	-	(8,883)	-	-	(8,883)
Dividend on ordinary shares	-	-	-	-	-	-	-
	-	-	-	(8,883)	-	-	(8,883)
Balance at 30 April 2021	**14,626,463**	**16,773,712**	**-**	**202,302**	**(480,620)**	**1,074,323**	**32,196,180**

Company Statement of Changes in Equity

	Share capital £	Share premium £	Share option reserve £	Other reserve £	Retained earnings £	Total equity £
Balance at 30 April 2019 (restated)	*10,608,342*	*9,099,025*	*826,906*	*341,603*	*280,417*	*21,156,293*
Total comprehensive income for the year						
Loss for the year (restated)	-	-	-	-	*(1,013,123)*	*(1,013,123)*
Other comprehensive income (note 20)	-	-	-	-	*341,604*	*341,604*
Dividends from subsidiaries	-	-	-	-	*1,255,000*	*1,255,000*
	-	-	-	-	*583,481*	*583,481*
Transactions with owners						
Shares issued during the year	*4,018,121*	*6,847,781*	-	-	-	*10,865,902*
Value of conversion rights on convertible notes	-	-	-	*(130,418)*	-	*(130,418)*
Exercise of options	-	*826,906*	*(826,906)*	-	-	-
Dividend on ordinary shares	-	-	-	-	*(731,726)*	*(731,726)*
	4,018,121	*7,674,687*	*(826,906)*	*(130,418)*	*(731,726)*	*10,003,758*
Balance at 30 April 2020	*14,626,463*	*16,773,712*	-	*211,185*	*132,172*	*31,743,532*
Total comprehensive income for the year						
Loss for the year	-	-	-	-	(1,231,488)	(1,231,488)
Other comprehensive income (note 20)	-	-	-	-	8,883	8,883
Dividends from subsidiaries	-	-	-	-	1,300,000	1,300,000
	-	-	-	-	77,395	77,395
Transactions with owners						
Value of conversion rights on convertible notes	-	-	-	(8,883)	-	(8,883)
Dividend on ordinary shares	-	-	-	-	-	-
	-	-	-	(8,883)	-	(8,883)
Balance as at 30 April 2021	**14,626,463**	**16,773,712**	**-**	**202,302**	**209,567**	**31,812,044**

ACE LIBERTY & STONE PLC

ANNUAL REPORT 2021

Consolidated Statement of Cash Flows

	2021	2020 Restated
	£	£
Profit / (Loss) before tax	1,386,072	*(741,686)*
Cash flow from operating activities		
Adjustments for:		
Finance income	(286,539)	*(34,842)*
Finance costs	3,021,065	*4,723,182*
Loss on disposal of investment	-	*13,026*
Fair value adjustment	700,000	*800,000*
Increase in receivables	(257,448)	*(278,766)*
Increase in payables	776,239	*702,627*
Tax paid	(4,936)	*(8,809)*
Interest paid	(2,617,709)	*(2,547,166)*
Other finance costs paid	(17,800)	*(745,631)*
Net cash generated by operating activities	2,698,944	*1,881,935*
Cash flows from investing activities		
Interest received	49,359	*34,842*
Purchase of investment properties	(3,619,918)	-
Sale of investment properties	500,000	*205,000*
Investment into LiBank	(5,000,680)	-
Net cash (used) / generated by investing	(8,071,239)	*239,842*
Cash flows from financing activities		
Share issue, net of issue costs	-	*6,104,665*
Long term loans advanced	1,525,000	-
Long term loans repaid	(372,300)	*(1,480,000)*
Short term loans repaid	(300,000)	*(550,000)*
Equity dividend paid	-	*(720,226)*
Net cash generated by financing activities	852,700	*3,354,439*
Net (decrease) / increase in cash and cash equivalents	**(4,519,595)**	*5,476,216*
Cash and cash equivalents at the beginning of the period	7,432,958	*1,956,742*
Cash and cash equivalents at the end of the period	**2,913,363**	*7,432,958*

ACE LIBERTY & STONE PLC

ANNUAL REPORT 2021

Notes to the Consolidated Financial Statements

1 General information

Ace Liberty & Stone Plc (the "Company") is a company that is incorporated in England and Wales whose shares are listed on the AQSE Apex Market stock exchange in the United Kingdom. The Group's principal activity is that of property investment.

2 Basis of presentation and significant accounting policies

The principal accounting policies applied in the preparation of the Group and parent Company's financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of presentation

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union, and issued by the International Accounting Standards Board (IASB). The consolidated financial statements are presented in Sterling, the Group and parent Company's functional currency. The financial statements have been prepared on a going concern basis under the historical cost convention, except as otherwise described in the accounting policies.

IFRS requires management to make certain critical accounting estimates and to exercise judgement in the process of applying the group's accounting policies. These estimates are based on the directors' extensive knowledge and past experience derived from their professional property activities and supported by independent professional advice.

The financial statements for the Company have been prepared in accordance with Financial Reporting Standard 101 by applying the recognition and measurement requirements of International Financial Reporting Standards ("IFRSs") as adopted by the European Union, amended where necessary in order to comply with Companies Act 2006. The Company has notified shareholders of this disclosure.

Compliance with FRS 101

In compliance with FRS 101, the Company has applied International Financial Reporting Standard 1 'First Time Adoption of International Financial Reporting Standards' (IFRS 1) subject to the exemptions available under FRS 101 and listed below.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel

As the consolidated financial statements include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of Group settled share-based payments;
- The disclosures required by IFRS 7 and IFRS 13 regarding financial instrument disclosures have not been provided apart from those which are relevant for the financial instruments which are held at fair value and are not either held as part of trading portfolio or derivatives.

There were no changes required to accounting policies and no effect on the comparative period following the transition to FRS101.

2.2 Standards, amendments and interpretations to published standards

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning 1 May 2020 that would be expected to have a material impact on the Group. The new IFRSs adopted during the year are as follows:

- IFRS 3– Business combination (amendments)
- IFRS 16 – Leases (amendments)

The following new standards amendments to standards and interpretations have been issued, but are not effective for the financial period beginning 1 May 2021 and have not been early adopted. The Directors anticipate that the adoption of these standard and the interpretations in future periods will have no material impact on the financial statements of the Group.
The new standards include:

IFRS 16	Leases (amendments) 1
IAS 16	Property, Plant & Equipment (amendments) 2
IAS 37	Provisions, Contingent Liabilities and Contingent Assets (amendments) 2
IFRS 3	Business combination (amendments) 2
IFRS 17	Insurance contracts 3
IAS 1	Presentation of Financial Statements (amendments) 3
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors (amendments) 3
IAS 12	Income Taxes (amendments) 3

1 Effective for annual periods beginning on or after 1 January 2021
2 Effective for annual periods beginning on or after 1 January 2022
3 Effective for annual periods beginning on or after 1 January 2023

Notes to the Consolidated Financial Statements (continued)

2.3 Basis of consolidation

Subsidiaries

The financial statements incorporate the financial statements of the Company and entities controlled by the Company made up to the year ended 30 April 2021. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to profit or loss in the period of acquisition. The interest of non-controlling shareholders is stated at the non-controlling interest's proportion of the fair values of the assets and liabilities recognised. Subsequently, any losses applicable to the non-controlling interest in excess of the non-controlling interest's share of the net assets of the relevant subsidiary are allocated against the interests of the parent in the net assets of the relevant subsidiary.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-Group transactions, balances, income, expenses and unrealised gains are eliminated when preparing the financial information. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.4 Foreign currency

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in pounds sterling which is the presentation currency for the consolidated and company financial statements. The functional currency of the Company is pounds sterling.

2.5 Cash and Cash Equivalents

These include cash in hand and deposits held at call with banks.

2.6 Key accounting estimates and judgements

The preparation of consolidated financial statements under IFRS requires management to make estimates and assumptions that may affect the application of accounting policies and the reported assets and liabilities, income and expenses. Although management believes that the assumptions and estimates are reasonable, the actual results may differ from the estimates.

The most significant estimates made in preparing these accounts relate to the valuation of the Group's investment properties. The fair value of the investment property is determined by the directors with reference to independent property valuation experts to be the estimated amount for which a property should exchange on the date of the valuation in an arm's length transaction. Properties have been valued on an individual basis. The valuation experts use recognised valuation techniques and the valuations have been prepared in accordance with the Royal Institution of Chartered Surveyors ("RICS") Valuation – Professional Standards January 2014 ("the Red Book"). Factors reflected include current market conditions, annual rentals, lease length and location.

The fair value of the derivative financial instruments is established with reference to the lending counter-party valuations which use valuation techniques commonly used by market participants, which include the use of discounted cash flow analysis and estimated future interest rates. In calculating the equity component of the Convertible Loan Notes, using the effective interest method, an interest rate is required. The rate used is one that would be offered to the Company at arm's length and with similar debt characteristics.

The fair value of the investment in shares in LiBank would use unobservable inputs and the best information available at each reporting date. The Directors would have to exercise judgement when calculating the fair value.

2.7 Taxation

The tax expense represents the sum of the tax currently payable. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the consolidated statement of financial position date.

2.8 *Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Notes to the Consolidated Financial Statements (continued)

2.8 Deferred tax (continued)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on difference tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.9 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable in relation to the proceeds of property rental. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the group. Revenue is recognised straight line over the term of the lease contract on an accrual's basis. Lease incentives granted are recognised as an integral part of rental income. The directors consider this in line with when the Company's performance obligation is satisfied. Standard payment terms are that invoices are paid within 1 month of issue.

The Group's properties are all let on Full Repairing and Insuring terms, making the tenant liable for all repairs and servicing. Where a property has multiple tenants, the appropriate subsidiary company acts as agent for the tenants in settlement of such costs. The Group bears the costs of vacant premises when this arises.
The directors consider that revenue generation is relates exclusively to rental income in the UK and so no further segmentation is required.

2.10 Finance income and cost

Finance income
Finance income includes interest income from bank deposits and, in respect of the Company only, interest charged on amounts due from subsidiaries.

Finance cost
Finance cost is recognised as interest accrued, using the effective interest method, on the net carrying amount of the financial liability and the appropriate amount of borrowing arrangement costs written off over the period of the loan applicable to the period.

2.11 Investment property

Investment properties are properties held for long-term rental yields. Investment properties are carried in the balance sheet at fair value, representing open market value determined annually by directors or independent valuation, completed by a recognised firm of Chartered Surveyors. Gains or losses arising from changes in fair value of investment property are included in the income statement for the period in which they arise.

Assets held for sale
Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs of sale.

2.12 Investments

Investments comprises of shares in private companies and a perpetual loan to LiBank. As the perpetual loan requires no interest or principal payments it is classed as permanent equity rather than debt.

The investments have been classified as fair value through other comprehensive income at inception. They are initially recognised at fair value with any changes to the fair value recognised in other comprehensive income and accumulated in a separate reserve in equity. The equity investments are not held for trading and are strategic investments therefore the Company considers this classification to be more relevant.

2.13 Borrowings

Borrowings other than bank overdrafts are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the consolidated statement of comprehensive income over the period of the borrowings, using the effective interest method. The costs of arranging each loan is written off over the period of the loan up to a maximum period of five years. The unamortised balance is shown against the relevant borrowing at the balance sheet date.

2.14 Derivative financial instruments

The Group uses interest swaps to hedge its risks associated with interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when fair value is negative.

2.15 Convertible Loans

Compound financial instruments issued by the Group comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Notes to the Consolidated Financial Statements (continued)

2.15 Convertible Loans (continued)

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.16 Share based payments

For all grants of share options, the fair value as at the date of grant is calculated using an option pricing model and the corresponding expense is recognised over the vesting period. The share-based payments expense is recognised as a staff cost shown separately in the income statement and the associated credit entry is made directly to reserves.

Shares issued in payment for services where the cost of service can be reliably measured (i.e. for the settlement of third-party invoices) are issued at the fair value of the service received. Where shares have been issued to acquire assets, the shares are valued with reference to the fair value of the assets acquired.

2.17 Financial instruments

Financial assets and financial liabilities are initially classified as measured at amortised cost, fair value through other comprehensive income, or fair value through profit and loss when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows expire, or the Company no longer retains the significant risks or rewards of ownership of the financial asset. Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

Financial assets are classified dependent on the Company's business model for managing the financial and the cash flow characteristics of the asset. Financial liabilities are classified and measured at amortised cost except for trading liabilities, or where designated at original recognition to achieve more relevant presentation. The Company classifies its financial assets and liabilities into the following categories:

Financial assets at amortised cost
The Company's financial assets at amortised cost comprise trade and other receivables. These represent debt instruments with fixed or determinable payments that represent principal or interest and where the intention is to hold to collect these contractual cash flows. They are initially recognised at fair value, included in current and non-current assets, depending on the nature of the transaction, and are subsequently measured at amortised cost using the effective interest method less any provision for impairment.

Impairment of trade and other receivables
In accordance with IFRS 9 an expected loss provisioning model is used to calculate an impairment provision. We have implemented the IFRS 9 simplified approach to measuring expected credit losses arising from trade and other receivables, being a lifetime expected credit loss. This is calculated based on an evaluation of our historic experience plus an adjustment based on our judgement of whether this historic experience is likely reflective of our view of the future at the balance sheet date. In the previous year the incurred loss model is used to calculate the impairment provision.

Financial liabilities at amortised cost
Financial liabilities at amortised cost comprise loan liabilities, including convertible loan note liability elements, and trade and other payables. They are classified as current and non-current liabilities depending on the nature of the transaction, are subsequently measured at amortised cost using the effective interest method. All convertible loan notes are held at amortised cost and no election has been made to hold them as fair value through profit and loss.

Financial assets at fair value through profit and loss
Financial assets at fair value are recognized and measured at fair value using the most recent available market price with gains and losses recognized immediately in the profit and loss.

The fair value measurement of the Company's financial and non- financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy').

Level 1 – Quoted prices in active markets
Level 2 – Observable direct or indirect inputs other than Level 1 inputs
Level 3 – Inputs that are not based on observable market data

2.18 Leases

Assets held under leases are recognised as assets of the Group at the fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between interest expense and capital redemption of the liability. Interest is recognised immediately in the statement of comprehensive income unless attributable to qualifying assets, in which case they are capitalised to the cost of those assets.

Exemptions are applied for short life leases and low value assets made under operating leases charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

The only leased asset held by the Group is Bridge House, Dudley, which is held on a long lease at a peppercorn rent. This is included in the statement of financial position under assets held for sale and valued at open market value.

2.19 Government grants

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants have been recognised as sundry income and included in Administrative expenses in the Statement of Comprehensive Income (see Note 5).

3 Going concern

In the opinion of the directors, based on the Group's budgets and financial projections, they have satisfied themselves that the business is a going concern. The board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and therefore the accounts are prepared on a going concern basis.

Although events in Lebanon have prevented remittance of £5m to the UK for investment in UK property as intended due to the imposition of exchange controls by the Banque du Liban, this does not negatively affect the Company's cashflow or its ability as a going concern. It remains the Company's intention to remit the funds to the UK for investment in the portfolio when circumstances permit.

The facility totalling £25,462,800 is due to be repaid in November 2021. The Company is in advanced discussions with the lender, along with other interested parties in renewing terms for the loan, with heads of terms having been received already. A further convertible loan of £10m which was due within 12 months of the year end has been deferred as further discussed in Note 26. The above short-term liabilities result in a net current liability which is expected to be converted into a net current asset upon agreement of the refinancing.

4 Revenue

	Group 2021	Group 2020
Revenue comprises the following	£	£
Rental income	6,227,124	*6,391,897*
The Group's aggregate minimum future lease receipts at current annual rents are as follows:		
Up to one year	5,726,733	*6,285,659*
More than one year but less than five years	19,694,912	*19,708,341*
More than five years	18,614,994	*20,484,707*
	44,036,639	*46,478,707*

All revenue arises from the Group's UK operations, net of VAT.

The Company interprets IFRS 8.34 to mean that revenue derived from separate UK Government Departments should be considered as deriving from one customer. This comprises 48% *(2020: 53%)* of the Group's income at the date of this report. City councils represent 5% *(2020: 5%)* and major industrial and commercial companies represent 43% *(2020: 39%)*. The Group's income derives overwhelmingly from the ownership of commercial properties in the United Kingdom and the directors manage and report upon activity as one segment.

In the comparable year, one of the Group's tenants exercised its right to break under the terms of the lease and paid the pre-determined fee of £173,375 which is shown separately in the Statement of Comprehensive Income.

	Group 2021	Group 2020
5 Administrative expenses	£	£
Directors' fees	469,000	*449,000*
Directors' National Insurance	53,632	*337,248*
Staff costs	78,542	*45,106*
Operating expenses of investment properties	101,616	*107,216*
Legal and professional fees	295,362	*352,561*
Other costs	505,684	*531,995*
Sundry income	(97,310)	*(17,534)*
	1,406,526	*1,805,592*

Other costs include £38,000 *(2020: £38,000)* for lease costs exempt from capitalisation as they are considered short term leases.

6 Finance cost

	2021	2020
Bank interest	1,673,177	*1,794,056*
Convertible loan interest	568,120	*1,360,281*
Change in fair value of derivative financial instruments	-	*750,940*
Other loan interest	107,622	*72,275*
Other finance costs	672,146	*745,630*
	3,021,065	*4,723,182*

7 Finance income

	2021	2020
Bank and other interest	49,358	*34,842*
Change in fair value of derivative financial instruments	237,181	*-*
	286,539	*34,842*

Notes to the Consolidated Financial Statements (continued)

8 Profit before tax

Profit before tax is stated after charging / (crediting) the following:

Operating lease rentals – land and buildings	38,000	*38,000*
Auditors' remuneration:		
Audit of parent and consolidation	37,000	*36,000*
Audit of subsidiaries	13,000	*12,000*
Other services – tax compliance	21,325	*15,010*
Total fees payable to the auditor	71,325	*63,010*

9 Staff Costs

During the year, the Company employed two employees *(2020: one)* who worked in a financial capacity for the year.

Salary	70,400	*40,183*
Pension	1,457	*871*
Social security costs	6,685	*4,052*
	78,542	*45,106*

10 Directors' remuneration

	Group and Company	
	2021	**2020**
Director's fee	**£**	**£**
Keith Pankhurst	10,000	*10,000*
Ismail Ghandour	221,000	*211,000*
Mark Thomas	10,000	*10,000*
Ivan Minter	169,000	*159,000*
Dr Tony Ghorayeb	35,000	*35,000*
Kayssar Ghorayeb	12,000	*12,000*
Hikmat El-Rousstom	12,000	*12,000*
	469,000	*449,000*

The directors exercised all their share options during the year ended 30 April 2020.

11 Taxation

	Group	
	2021	**2020**
	£	**£**
Current year tax		
UK corporation tax	361,505	*12,128*
Adjustment in respect of previous periods	(52,481)	-
	309,024	*12,128*
Deferred tax		
Origination and reversal of timing differences	(133,000)	*(123,241)*
Total tax charge/ (credit) for period	176,024	*(111,113)*
Reconciliation of current tax charge		
Profit/ (Loss) on ordinary activities before tax	1,386,072	*(741,686)*
Tax on profit/ (loss) on ordinary activities at 19% *(2020:19%)*	263,354	*(140,920)*
Effects of:		
Expenditure / (income) not deductible for tax purposes / taxable	(32,304)	*(2,518)*
Relief for share options exercised	-	*(664,246)*
Other timing differences	(10,932)	*(11,741)*
Timing difference on property valuations	133,000	*60,866*
Prior period adjustments	(52,481)	-
Tax deducted at source	8,387	-
Corporate interest restriction	-	*367,932*
Losses carried forward	-	*402,756*
	309,024	*12,129*

Notes to the Consolidated Financial Statements (continued)

11 Taxation (continued)

A potential deferred tax asset of approximately £251,898 *(2020: £193,263)* has not been recognized in the financial statements on the grounds of the uncertainty over its recoverability in the foreseeable future. The deferred tax arises due to other timing differences carried forward of £1,325,780 *(2020: £1,017,173).*

Deferred tax		
Balance at 1 May 2020	7,054	*(116,188)*
Charge for the period	133,000	*123,242*
Balance at 30 April 2021	140,054	*7,054*
Current	(83,487)	*(121,487)*
Non-current	223,541	*128,541*
	140,054	*7,054*

Deferred tax comprises:	**£**	**£**
Revaluations of investment property assets to fair value	223,541	128,541
Revaluations of held for sale assets to fair value	(83,487)	*(121,487)*
	140,054	*(7,054)*

12 Earnings per share

The calculations of earnings per share are based on the following earnings and numbers of shares.

	Group	
	2021	**2020**
	£	**£**
Profit/ (Loss) for the period attributable to equity owners	1,218,931	*(288,969)*
	No. of shares of 25p	**No. of shares of 25p**
Weighted average number of shares		
For basic earnings per share	58,505,850	*47,609,342*
Dilutive effect of share options	15,840,708	*14,312,252*
For diluted earnings per share	74,346,558	*61,921,594*
Earnings per share	**pence**	**pence**
Basic	2.08	*(0.61)*
Diluted	1.64	*(0.47)*
	£	**£**
Dividends declared during the year – per share of 25p	-	*0.025*
Dividends declared during the year – total	-	*731,725*

13 Investment property

	Group	
	2021	**2020**
	£	**£**
Valuation at 1 May 2020	76,888,096	*79,538,096*
Purchases during the year at cost	3,318,543	-
Transfer to assets held for sale	-	*(2,150,000)*
Fair value loss	(500,000)	*(500,000)*
Valuation at 30 April 2021	79,706,639	*76,888,096*

The Group's investment properties have been recognised at fair value. The directors, who are qualified and experienced in property valuation, continuously monitor the values of properties held by group companies by comparison with other properties on the open market, and record the changes in fair value. External valuations are performed by valuers selected by the directors based upon their knowledge, independence and reputation for valuing assets such as those held by the Group. *All properties owned by the group at 30 April 2021 have been valued by* Bowcliffe Limited, Chartered Surveyors. Two executive directors, one of whom is a Chartered Surveyor, are qualified to assess the valuation of properties by reason of their career experience. The remaining directors have considerable corporate management experience and are competent to challenge issues both within and outside their specific professional qualifications.

The methods of fair value measurement are classified into a hierarchy based on the reliability of the information used to determine the valuation as follows:

- Level 1: valuation based on inputs on quoted market prices in active markets.
- Level 2: valuation based on inputs other than quoted market prices included in level 1 that maximise the use of observable data directly or from market prices or indirectly from derived market prices.
- Level 3: where one or more inputs to valuations are not based on observable data.

13 Investment property (continued)

Class of property		**Valuation technique**	**Fair value**
			£
Freehold – Directors' valuation	Level 3	Market value	79,706,639

The valuations of all investment property held by the Group is classified as Level 3 in the IFRS 13 fair value hierarchy as they are based on unobservable inputs such as current rents, break options, lease incentives and future development opportunities based on planning permissions held or sought by the Group.
An increase in investment yield or decrease in Estimated Rental Value would result in a reduction in the valuation of the Group's investment properties and vice versa if the opposite was to happen.
The directors believe, after considering the external valuation and other unobservable information known by management who actively manage the properties, that the open market value of the investment properties as at 30 April 2021 is £79,706,639 *(2020: £76,888,096)*. Market value is considered by the directors to be the expected cash proceeds on disposal of the properties on an arms-length basis.
The historical cost of investment properties held by the Group is £80,613,852 *(2020: £78,547,221)*.

14 Investments

	Group		**Company**	
	2021	**2020**	**2021**	**2020**
	£	**£**	**£**	**£**
Cost at 1 May 2020	-	-	1,793,965	*1,793,965*
Fair value adjustment of investment	-	-	(335,250)	-
Investment into LiBank	5,000,680	-	5,000,680	-
Cost at 30 April 2021	5,000,680	-	6,459,395	*1,793,965*

On 8 April 2021, the Company acquired 10 nominal shares in LIBank S.A.L. , a private Lebanese bank, at USD$95 per share.
On 14 April 2021, the Company transferred £5,000,000 cash deposited at LIBank S.A.L. into a Cash Contribution to Capital in LIBank S.A.L. by way of a perpetual loan. It is repayable only upon liquidation of LIBank S.A.L. and bears no interest, therefore it has been treated as an investment in the financial statements. LIBank S.A.L. has an option to transfer all or part of this loan into shares of LIBank S.A.L. in order to absorb losses if required.

Holdings of more than 20%
The Company holds more than 20% of the share capital of the following companies:

Subsidiary Undertaking	**Nature of business**	**Country of registration or incorporation**	**Shares Held**	
Ace (Barnsley) Limited	Investment	England and Wales	Ordinary	100
Ace (Chelsea) Limited	Investment	England and Wales	Ordinary	100
Ace (Dudley) Limited	Investment	England and Wales	Ordinary	100
Ace (EBT) Limited	Trustee	England and Wales	Ordinary	100
Ace (Gateshead) Limited	Investment	England and Wales	Ordinary	100
Ace (Hanley) Limited	Investment	England and Wales	Ordinary	100
Ace (Hulme) Limited	Investment	England and Wales	Ordinary	100
Ace (Keighley) Limited	Investment	England and Wales	Ordinary	100
Ace (Leeds) Limited	Investment	England and Wales	Ordinary	100
Ace (Luton) Limited	Investment	England and Wales	Ordinary	100
Ace (Management) Limited	Investment	England and Wales	Ordinary	100
Ace (Manchester) Limited	Investment	England and Wales	Ordinary	100
Ace (North) Limited	Investment	England and Wales	Ordinary	100
Ace (Plymouth) Limited	Investment	England and Wales	Ordinary	100
Ace (Sunderland) Limited	Investment	England and Wales	Ordinary	100
Lantana Properties Limited (Sub of Luton)	Investment	BVI	Ordinary	1
Radcliff Property Limited	Investment	Anguilla	Ordinary	100
Silverdale Limited	Investment	BVI	Ordinary	100

The principal place of business for all subsidiaries is the United Kingdom. Hilcott Overseas Limited, a 100% subsidiary of the Company based in England & Wales, was dissolved during the year.

15 Assets held for sale

	Group	
	2021	2020
	£	£
Fair value at 1 May 2020	10,429,921	*8,784,921*
Transfer from investment property	-	*2,150,000*
Sale during the year	-	*(205,000)*
Fair value loss	(200,000)	*(300,000)*
Fair value at 30 April 2021	10,229,921	*10,429,921*
This consists of:		
Hillcrest House, Leeds	2,300,000	*2,300,000*
Oscar Court, London SW3	2,100,000	*2,300,000*
Willow House, Aldershot	1,050,000	*1,050,000*
Bridge House, Dudley	4,779,921	*4,779,921*
	10,229,921	*10,429,921*

Oscar Court was purchased partly by the issue of ordinary shares in the Company with the intention of re-selling. Willow House, Aldershot, has potential for development and was purchased for re-sale. Agreement has been reached for the sale of Bridge House, Dudley and Hillcrest House, Leeds with completion on 30 September 2021.

16 Trade and other receivables

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade receivables	287,939	*414,756*	-	-
Other receivables	417,664	*35,855*	5,430	*18,225*
Amounts due from subsidiary companies	-	-	64,516,271	*64,479,856*
Bad debt provision	-	-	(1,903,961)	-
Prepayments and accrued income	641,868	*338,645*	19,375	*25,008*
	1,347,471	*789,256*	62,637,115	*64,523,089*
Current	1,347,471	*789,256*	62,637,115	*12,423,089*
Non-current	-	-	-	*52,100,000*
	1,347,471	*789,256*	62,637,115	*64,523,089*

All of these receivables are held at amortised cost. The directors consider that the carrying amount of financial assets approximates to their fair value.
Other receivables include £301,375 *(2020: Nil)* deposit paid for the acquisition of the long leasehold of Hunters Row, Stafford. The completion of the acquisition is due on 6th April 2022.

17 Liabilities relating to Assets held for sale

	Group	
	2021	2020
	£	£
Secured loan on Flat G, Oscar Court	1,272,313	*1,350,625*

The liabilities held for sale are secured on the properties to which they relate and will be repaid once the assets are disposed of. The liability bears interest at 3.5%. Hume House, Leeds and Bridge House, Dudley have been charged as security for a loan granted by Lloyds bank plc to the parent Company.

Notes to the Consolidated Financial Statements (continued)

18 Trade and other payables

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade payables	112,743	*132,480*	1	*1*
Taxation and social security	1,987,846	*1,501,221*	1,525,693	*1,308,817*
Other payables	3,737,953	*2,908,319*	137	*607*
Amounts due to subsidiary companies	-	-	863,797	*2,617,222*
Accruals and deferred income	1,473,025	*993,989*	569,133	*86,756*
	7,311,567	*5,536,009*	2,958,761	*4,013,403*
Current	7,311,567	*5,536,009*	2,958,761	*4,013,403*
Non-current	-	-	-	-
	7,311,567	*5,536,009*	2,958,761	*4,013,403*

All of these liabilities are held at amortised cost. The directors consider that the carrying amount of financial liabilities approximates their fair value.

19 Borrowings

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Other loans	11,612,064	*12,356,802*	11,612,064	*12,356,802*
Bank loans	46,387,250	*45,234,550*	25,462,800	*25,807,800*
Unamortised issue costs	(323,733)	*(678,079)*	(126,160)	*(433,742)*
	57,675,581	*56,913,273*	36,948,704	*37,760,860*
Current	37,716,654	*2,668,972*	36,948,704	*2,318,722*
Non-current	19,958,927	*54,244,301*	-	*35,412,138*
	57,675,581	*56,913,273*	36,948,704	*37,760,860*

All of these liabilities are held at amortised cost. The directors consider that the carrying amount of financial liabilities approximates their fair value.

Details of security and interest rates

On 17 November 2016 the Company drew down a loan of £13,751,800 from Lloyds Bank plc secured on the investment properties owned by its subsidiaries Ace (Plymouth) Limited, Ace (Gateshead) Limited, Ace (Sunderland) Limited, Ace (Dudley) Limited, Ace (Leeds) Limited and Ace (Hanley) Limited. On 11 April 2017 the Company drew down an advance of £2,320,000 secured on the property acquired on that date by its subsidiary Ace (Manchester) Limited. These advances carried an interest rate of 2.85% above LIBOR.

The Company drew down the following advances at an interest rate of 2.70% above LIBOR:

13 October 2017 an advance of £6,264,000 secured on the properties acquired on that date by Ace (Management) Limited;

14 February 2018 an advance of £2,407,000 secured on the further property acquired on that date by Ace (Management) Limited; and

6 March 2018 an advance of £2,755,000 secured on the property acquired on that date by Ace (Keighley) Limited.

The loan was for a term of five years repayable in quarterly amounts of £172,500 and a final repayment on 17 November 2021.

On 25 April 2019, the Company's subsidiary Ace (North) Limited, drew down a loan of £13,611,000 from Coutts & Co secured on the investment properties owned by the subsidiary. The loan was repayable by quarterly instalments of £125,000 with final repayment on 30 April 2024, at an interest rate of LIBOR plus 2.75% and was guaranteed by the Company's parent. On 30 April 2019 the Company's subsidiary drew down a loan of £6,516,250 from Coutts & Co on the same terms for the purchase of two properties. The loan is repayable by quarterly repayments of £40,125 with full repayment on 30 April 2024.

During the year, the Company's subsidiary, Ace (North) Limited, drew down two further loans to finance acquisitions on 26 August 2020 for £625,000 and on 7 December 2020 for £855,000 at an interest rate of LIBOR plus 2.75% and SONIA plus 2.9% respectively. The loans are repayable by quarterly repayments of £6,250 and £8,550, with full repayment on the fifth anniversary.

On 24 June 2020, the Company's subsidiary Ace (Leeds) Limited, drew down an unsecured loan from Santander UK Plc for £45,000 at a fixed rate of 2.5% under the Government's Bounce Back Loan scheme. Interest is paid by the Government for the first year. The loan is repayable by monthly repayments of £750 with full repayment by 31 May 2026.

On 26 April 2019 and 3 June 2019, the Company drew down unsecured loans from nine of its shareholders to a total value of £3,200,000. The loans carry an interest rate of 7% and have a term of two years. On 25 April 2020, the holders of loans totalling £2,200,000 accepted an offer from the Company to convert their loans into ordinary shares at a price of 50p per share. At 30 April 2021 loans to a value of £1,000,000 were still outstanding.

For details regarding the convertible loan notes see Note 20.

Notes to the Consolidated Financial Statements (continued)

19 Borrowings (continued)

Interest rate swaps and caps

The Group has entered into interest rate swap and cap contracts with notional amounts of £35,937,050 *(2020: £37,137,550)*. The interest rate swap contract pays a fixed rate of interest between 0.7% and 1.18%, and receives a variable rate based on LIBOR on the notional amount. The interest rate cap is capped at 0.75%. The swaps and cap are used to hedge the exposure to the variation in interest rates on secured loans.
Financial derivatives' fair values were provided by the counter-party banking institution. Fair value is calculated using present value of cash flows and the credit quality of counterparties. All derivative financial instruments are carried at fair value in the Balance Sheet.
The Group's interest rate swaps and caps as at 30 April were as follows:

Type	Maturity date	Swap/ Cap rate	Notional Amount	Fair value	Fair value Restated
				2021	2020
			£	£	£
Cap	15/11/2021	0.75%	9,375,700	(29,722)	*(68,033)*
Swap	15/11/2021	0.97%	6,118,750	(30,901)	*(62,829)*
Swap	15/11/2021	0.70%	4,716,350	(16,978)	*(28,594)*
Swap	25/04/2024	1.14%	9,611,250	(205,417)	*(298,531)*
Swap	24/04/2024	1.18%	6,115,250	(140,927)	*(203,138)*
			35,937,050	(423,945)	*(661,125)*
Current				(77,601)	-
Non-current				(346,344)	*(661,125)*
				(423,945)	*(661,125)*

20 Convertible Loan Notes

The Company issued 10,000,000 6% unsecured convertible notes for £10,000,000 on 28 June 2017. The notes are convertible into ordinary shares of the Company, at the option of the holder at any time, or repayable on 28 June 2019. The conversion rate is one 25p share for each note held at a price of 71.25p. The holder also has an option to purchase properties owned by the Group at an agreed price. On 28 June 2019 the renewal of the instrument was agreed at the same interest rate for a further two-year period ending on 23 May 2021.

The Company also issued £5,263,700 5% unsecured convertible notes on 25 January 2018. The notes are convertible into ordinary shares of the Company, at the option of the holder at any time. The conversion rate is one 25p share for each note held at a price of £1. As at 30 April 2021, holders of CLNs to a value of £1,638,700 *(2020: £1,638,700)* had converted their holdings into ordinary shares of 25p and holders of a further £3,050,000 *(2020: £2,750,000)* had been repaid. For the benefit of holders who had not exercised their rights by the maturity date of 31 December 2019, the holdings at that date were rolled over on the same terms. As at 30 April 2021, CLNs to a value of £575,000 *(2020: £875,000)* remained outstanding.

The convertible notes are presented in the balance sheet as follows:

	Group and Company	
	2021	2020
	£	£
Face value of the convertible loan notes in issue as at the year end	10,525,000	*10,875,000*
Equity element	(202,302)	*(211,185)*
Liability component on initial recognition	10,322,698	*10,663,815*
Liability component at the start of the period	11,149,717	*14,531,200*
Issue of convertible loan notes	-	*10,663,814*
Interest charged at effective interest rate	714,367	*932,916*
Interest paid/redemption	(1,050,000)	*(14,989,452)*
Finance cost capitalised	(25,000)	*(350,000)*
Finance cost expensed in year	180,000	*361,239*
Interest moved to accruals	(109,270)	-
Change in estimate	(300,000)	-
Liability component at the end of the period	10,559,814	*11,149,716*

Notes to the Consolidated Financial Statements (continued)

20 Convertible Loan Notes (continued)

Other comprehensive income

	Group and Company 2021 £	2020 £
This represents the release of equity previously recognised under IFRS in respect of the initial accounting of the Convertible Loan Notes issued by the Company due to the expiry or repayment of the securities.	8,883	*341,604*

21 Share capital

	2021	2020
58,505,850 *(2020: 58,505,850)* ordinary shares of £0.25 each	14,626,463	*14,626,463*
	Shares of 25p	*Shares of 25p*
Shares in issue at 1 May 2020	58,505,850	*42,433,368*
Shares issued during year ended 30 April 2021	-	*16,072,482*
Shares in issue at 30 April 2021	58,505,850	*58,505,850*

Share Options

Share options are granted to directors and officers of the Group. Options are not conditional on the employee's performance and there is no service condition attached to the awards. They are exercisable immediately and the exercise price is factored into the fair value at grant. The weighted average fair value of options granted in the previous year was determined using the Black-Scholes option pricing model. The Black-Scholes model is considered to apply the most appropriate valuation method due to the relatively short contractual lives of the options and the requirement to exercise within a short period after the employee becomes entitled to the shares (the "vesting date"). The Group has no legal or constructive obligation to repurchase or settle the options in cash.

During the previous year all outstanding options were exercised. There were none outstanding at the year-end *(2020: nil)*. Share options outstanding and their related weighted average exercise prices were as follows.

	2021 Weighted average exercise price in £ per share option	2021 Options	2020 Weighted average exercise price in £ per share option	2020 Options
At 1 May 2020	-	-	*0.65215*	*6,983,333*
Exercised during year	-	-	*(0.65215)*	*(6,983,333)*
At 30 April 2021	-	-	-	-

Warrants

Share warrants were issued in conjunction with the 5% convertible loan note and the 7% loan.

In relation to the 7% loan, a total of 1,100,000 warrants were issued which entitled the Warrant holder to subscribe in cash for one share at £0.95 per share at any time on or prior to the expiry date of 3 June 2021. No warrants were exercised in the year *(2020: Nil)* and 1,100,000 warrants were outstanding at the year-*end (2020: 1,100,000).*

In relation to the 5% convertible loan note, a total of 5,263,700 warrants were issued which entitled the Warrant holder to subscribe in cash for one share at £0.80 per share at any time on or prior to the expiry date of 31 December 2020. No warrants were exercised in the year *(2020: 2,550,000)* and nil warrants were outstanding at the year-end *(2020: 1,855,450).*

Share warrants outstanding and their related weighted average exercise prices were as follows.

	2021 Weighted average exercise price in £ per warrant	2021 Warrants	2020 Weighted average exercise price in £ per warrant	2020 Warrants
At 1 May 2020	0.86	2,955,450	*0.84*	*5,805,450*
Issued during year	-	-	*0.84*	*200,000*
Exercised during year	-	-	*(0.82)*	*(3,050,000)*
Expired during year	0.09	(1,855,450)	-	-
At 30 April 2021	0.95	1,100,000	*0.86*	*2,955,450*

Notes to the Consolidated Financial Statements (continued)

22 Reserves – Company and Group

Share premium account. When shares are issued at a value greater than the nominal value of 25p, the surplus is credited to this reserve. The balance shown at any time is net of the costs of share issues. The reserve is not distributable.

Share option reserve. This represents to cost to the Company of issuing the options described in the previous note. The reserve is not distributable and has been utilised when options were exercised.

Other reserve. Convertible Loan Notes issued by the Company are fully explained in note 20. This reserve contains the equity element of CLNs issued by the Company.

Treasury shares. This represents the cost of acquisition of the Company's own shares owned by its subsidiary, Ace (EBT) Limited, as trustee of the Group's Employee Benefit Trust. Ace (EBT) Limited owns 460,000 £0.25 shares with a nominal value of £115,000.

Retained earnings. The accumulation of undistributed profits earned by the Company over previous and current trading years.

23 Restatement of financial result

The financial result for year ending 30 April 2019 and 2020 has been restated to incorporate the impact of an omission of the fair value of the interest rate swaps and cap. The effect of the restatement is summarised below:

	Group	
	2020	**2019**
	£	**£**
Total comprehensive income for the period previously published	461,969	814,562
Increase in finance income - change in fair value of financial instruments	-	89,813
Increase in finance cost - change in fair value of financial instruments	(750,940)	-
Total comprehensive income for the period restated	(288,971)	904,375

Consolidated Statement of Financial Position (extract)	**Restated**	**Previously published**	**Restatement**
Liabilities	**£**	**£**	**£**
Derivative financial instruments	661,126	-	661,126
Equity			
Retained earnings	(144,609)	516,517	(661,126)
Basic earnings per share attributable to equity owners of the parent	(0.61)	0.97	(1.58)
Diluted earnings per share attributable to equity owners of the parent	(0.47)	0.75	(1.21)

24 Financial instruments

24.1 Financial instruments recognised in the consolidated statement of financial position

Financial instruments are recognised initially at their fair value and subsequently measured at amortised cost, apart from derivatives which are measured at fair value using the present value of cash flows and the credit quality of counterparties.

	Group	
	2021	**2020 Restated**
Loans and receivables	**£**	**£**
Cash and cash equivalents	2,913,363	*7,432,958*
Trade and other receivables	1,347,471	*789,256*
	4,260,834	*8,222,214*
Other financial liabilities		
Borrowings	58,947,894	*58,263,898*
Derivative financial instrument	423,945	*661,125*
Trade and other payables	7,311,567	*5,536,009*
	66,683,406	*64,461,032*

Fair values of financial assets and liabilities.

The fair value of trade debtors and creditors included in net current assets is equivalent to the balance sheet carrying values. All of the Group's borrowings are held at amortised cost.

Notes to the Consolidated Financial Statements (continued)

24.2 Financial risk management objectives and policies

Credit risk

The board has conducted a review of the effectiveness of the Company's risk management and internal controls systems, and find them to be reasonable.

At the balance sheet date there were no significant concentrations of credit risk. The Group trades only with recognised, credit worthy customers. All customers who wish to trade on credit are subject to credit verification checks and customer balances are checked regularly to ensure that the risk of exposure to bad debts is minimised.

Although the credit risk has been heightened with the effects of the COVID-19 pandemic, the impact has been minimal to the Group which has only made one small rental concession and suffered a small loss due to a tenant exercising a CVA, demonstrating its strong income.

The Group's cash balances are all held with major banking institutions. The majority of trade receivables are due from credit worthy customers or financial institutions and are automatically settled within a few days of arising.

Liquidity risk

Responsibility for liquidity risk management rests with the board which has formulated liquidity management tools to service this requirement. Management of liquidity risk is achieved by monitoring budgets, forecasts and actual cash flows. The Group's policy is to minimise refinancing risk and to match loan maturities with the expected period of rental income for each property.

The table below analyses the Group's financial liabilities (excluding Trade and other payables) into maturity groupings:

	Under 1 year	1 - 5 years	Over 5 years	2021 Total
	£	£	£	£
Mortgages secured on investment properties	26,230,750	20,155,750	750	46,387,250
Liabilities held for sale	1,272,313	-	-	1,272,313
Convertible loan notes	10,612,064	-	-	10,612,064
Unsecured loan	1,000,000	-	-	1,000,000
	77,601	346,344	-	423,945
	39,192,728	20,502,094	750	59,695,572

Market risk

The Group's main exposure to market risk is through interest rates. As a condition of the loan facility advanced by Lloyds Bank plc, the Company is required to make a hedging arrangement in respect of the interest due on a minimum of 75% of the loan drawn down. This has the effect of substituting a fixed interest rate for a variable one and protects the Group against interest rate rises.

Interest rate risk

The Group is subject to interest rate risk as its bank balances and some borrowings are subject to interest at a floating rate. The interest rate on bank balances at 30 April 2021 was in the range 0% to 0.05%. Interest rate on loans at the same date was in the range 2.5% to 3.9% *(2020: 3.5% to 4.3%)*. Of the Group's borrowings at 30 April 2021, £47,557,050 *(2020; £55,562,648)* is at rates fixed for the duration of the loan or by means of agreements to swap variable rate liabilities into fixed rates. If interest rates increased by 1% the Group's annual interest liability would increase by £179,288 *(2020: £13,506)*. The directors monitor interest rates closely and evaluate the return from property purchases using a cost of financing significantly above current market rates.

Fair value risk

In view of the above interest arrangement, it is thought that fair value risk is minimal and that financial instruments are stated in the consolidated statement of financial position at value not significantly different from their fair value. Apart from financial derivatives which are carried at fair value and are exposed to fair value movements due to changes in interest rates or other market factors which are outside the Group's control.

Investment properties are carried at fair value and the portfolio is exposed to fair value movements due to market and occupier fundamentals. This risk is mitigated by the Group's strategy to invest in properties with good covenants which offer a high yield and the opportunity to add capital value to the initial investment.

Foreign exchange risk

Foreign exchange risk is minimal to the Group. The LiBank investment has contractually been denominated in US Dollars but LiBank has agreed to bear the foreign exchange fluctuations and the principal loan will be repaid in pound sterling. There are no non-sterling balances in the financial statements.

Fair value hierarchy

The following table shows an analysis of the financial instruments recognised in the consolidated statement of financial position at fair value by level of the fair level hierarchy (see Note 13):

Class of financial instrument		Valuation technique	Fair value
			£
Derivatives	Level 2	Mark to market	423,945

The Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period. There have been no movements within the categories of the fair value hierarchy.

Notes to the Consolidated Financial Statements (continued)

24.3 Capital Structure

The Group sets the amount of capital in proportion to risk and monitors this in accordance with economic conditions and the risk profile of underlying assets. Capital consists of share capital, share premium account, share option reserve, other reserve, treasury shares and retained earnings. The Group monitors its debt to equity ratio which was calculated as follows.

The movement in the year was the result of the Group successfully investing its cash balances in suitable properties and investments.

	Group	
	2021	**2020**
	£	**£**
Total debt	59,695,572	*58,941,977*
Less cash and cash equivalents	(2,913,363)	*(7,432,958)*
Net debt	56,782,209	*51,509,019*
Total equity	32,196,180	*30,986,132*
Debt to equity	176%	*166%*

24.4 Financial assets

Financial assets are disclosed in notes 16 and 24.1. The Group's principal financial assets are bank balances and trade and other receivables. The directors have a policy of only acquiring properties which have tenants with a high credit rating to minimise the risk of non-payment. Short term cash deposits are placed only with banks with a high credit rating.

25 Related party transactions

Ismail Ghandour, a Director of the Company, has an interest in 3 Pont Street Limited and Hind Property Company Limited, which provides services to the Group. During the year, the Group incurred costs of £38,000 *(2020: £38,000)* charged by 3 Pont Street Limited in respect to rent and incurred £12,840 *(2020: £106)* by Hind Property Company Limited in respect to property management fees.

On 5th April 2021, the Company's subsidiary, Ace (Hulme) Limited, paid Hind Property Company Limited £301,375 as a deposit on the exchange of contracts for the acquisition of the long leasehold of Hunters Row, Stafford. The completion of the acquisition is on 6th April 2022. The deposit is included in Other Debtors as at 30 April 2021.

On 8 April 2021, the Company acquired 10 nominal shares in LIBank S.A.L , a private Lebanese bank, at $95 per share from Ismail Ghandour.

Mark Thomas, a Director of the Company, has an interest in Maybridge Commercial Limited, which provides services to the Group. During the year, the Group incurred costs of £57,000 *(2020: £38,025)* charged by Maybridge Commercial Limited in respect to surveyor fees.

Dr. Tony Ghorayeb, a Director of the Company, has an interest in LIBank S.A.L which the Group has cash deposits and investments with. As at 30 April 2021, the Group had £38,572 *(2020: £4,939,161)* in cash deposits and £5,000,680 *(2020: nil)* in investments with LIBank S.A.L.

26 Post balance sheet events

In relation to the 10,000,000 6% unsecured convertible loan notes that was due to be repaid on 23 May 2021, as the loan note was not settled in full by the Company, the final repayment date was extended to 23 May 2023 as per the deed of variation.

On 1 June 2021, 250,000 shares were issued in settlement of the 5% convertible loan note at a conversion rate of £0.80 per share.

27 Controlling party

The Company has no one controlling party.